In Ohio, as a result, I have put together an export advisory council. We met today in Columbus. That is what our meeting was about, to talk about ideas. We heard from Albert Green of Kent Displays, William Dawson of NexTech Materials, Philip Irwin of Ametek Solidstate Controls, Randall Willaman of Command Ilkon, Inc., Mark Friedman of National Biological Corporation, Arlinda Vaughan from Volk Optical, and Ken Hagen from Fosbel.

All of them raised concerns directly to the Under Secretary of Commerce and directly to me, concerns about corruption in Russia, concerns about tariffs in Brazil, concerns we all face and all of our companies face in breaking into the Chinese market, and many other concerns about everything from medical devices to export of services and all of that. So the meeting was important.

I will mention one other. Susan Helper, the head of the Economics Department at Case Western, had particularly good thoughts about how we grow manufacturing in this country. We know those jobs are created by medium and small businesses. We also know that fewer than 1 percent of American companies actually export. Even as close as we are to Canada or to Mexico, only 1 percent of our businesses export. So we know we have to do much more.

In Germany, for instance, 20 percent of their workforce is in manufacturing. They have a trade surplus with the rest of the world, while we have a huge almost insidious trade deficit. Germany has done some pretty interesting things in encouraging manufacturing.

As many people point out, we have not had in our country a manufacturing policy. I spoke with Pat Russo tonight, who is the former CEO of Lucent Technologies and a couple of— she sits on the General Motors board and a couple of other people from the GM board I spoke to, and talked about the fact that we do not have a manufacturing policy in this country. That is why we are seeing other countries begin to do much better in manufacturing, while we have, by and large, drifted in our policies and our strategies on manufacturing.

There are several things that came out of this meeting that we need to do. We need to pay particular attention on economic development assistance and creating economic development partnerships and business incubators.

We need to pay special attention to help those companies get access to capital. That has been a vital roadblock— as the Presiding Officer from Oregon has been involved—a roadblock to our full economic recovery. We need to look at our R&D tax credits.

Part of a national manufacturing policy should be increases in R&D tax credits, including making 48(C) a part of the Code that encourages conservation, encourages more efficiencies in energy production and in energy use, making 48(C) permanent.

It means workforce training—our Sectors Act, which matches up what local businesses and labor unions and community colleges and workforce investment boards do to retrain workers so they find jobs after that training. That is why we are doing at end of the month our fourth annual Ohio College Presidents Conference, where I invite in some 55, 60 college presidents. We have done it for the last 3 years, since my second year in the Senate, to talk about these issues: How do we encourage people to become engineers? How do we help with access to college, particularly in light of the fact that Republicans are trying to cut Pell grants several hundred dollars per student, sometimes a couple of thousand, $3,000 a family, whatever.

How do we fight back and make sure that students have access to education and to our higher education system, those who choose to go to college? We have a lot of work to do. All of this includes, as I said at the White House the other day in the meeting of the President's Export Council, while we work on exports, we need to fix our trade agreements, we need to fix our tax policy, we need to make sure those workers who lose their jobs because of trade—and this is so often forgotten about by my Republican colleagues— workers who lose their jobs because of trade have to be compensated. They need to be retrained. They need to keep their health care. That is why the Presiding Officer and I and many others have to fight for the extension—Senator CASEY especially from Pennsylvania—of trade adjustment assistance and the health coverage tax credit, two long-time Federal programs. The TAA, Trade Adjustment Assistance, was started bipartisanly under President Kennedy in 1962.

Those are so important for workers who have lost jobs through no doing of their own but because of trade agreements passed wrongfully, wrongheadedly in this body and in the House. Because of trade agreements they have lost their jobs. We need those workers to have the opportunity to be retrained and to continue to keep their health insurance after they have been laid off through no fault of their own.

Our efforts to double exports is extraordinarily important for economic growth. At the same time it is important that we are sensitive to those workers who have lost their jobs because of trade policy. We can do this right. We can enforce our trade laws more aggressively as President Obama has begun to do. We can work on trade agreements. We can fix trade policy so it actually helps American workers and American consumers. Instead of practicing trade policy adopted out of a textbook that is 20 years out of print, we ought to be adopting a trade policy that is in our Nation's national interest. As we move with President Obama and this Congress toward a manufacturing strategy and, even better, a manufacturing policy such as most of the rest of the industrialized world has, we will all be in a better position to build a middle class in Oregon and Ohio and across the country.

I yield the floor.

CFTC HEDGING AUTHORITY

Mr. NELSON of Florida. Mr. President, you hear a lot of talk about the trouble in the Middle East, and people are saying that oil prices are going up and, therefore, the pain at the gas pump is being felt because there is this shakiness in the oil markets. You hear the commentary: Well, we ought to be solving this problem by drilling more in the United States. In essence what people are talking about is they want to drill more in the Gulf of Mexico. Of course, there is plenty of opportunity to drill in the Gulf of Mexico. There are 30 million acres that are already under lease that have not been drilled. There are 7 million acres that are being drilled under lease, but there are an additional 30 million acres in the Gulf of Mexico under lease, so there is plenty of opportunity. There is a lot more opportunity for domestic drilling.

But what I want to talk about today is, it is this simplified message that if we drill more domestically—which we clearly have the capacity to—that is going to solve the problem. That is not the problem, and that is not the reason for why the gas prices are going up as they are.

I will grant you that whenever there is an oil-producing region of the world where there is a disruption, then that does have some effect on the price of oil. But what we have seen is an extraordinary spike in the last couple of months in the price of oil. I want to try to point out to the Senate why this Senator thinks, and a number of my colleagues join me, that spike in gas prices is going up.

There is further evidence that our energy markets are no longer governed just by the economic dictums of supply and demand when it comes to oil prices. That is what I want to talk about. It is simply this: The speculators are back. We saw the speculators in oil futures contracts. We saw their handiwork 2 years ago when the price of oil hit an all-time high of $147 a barrel. This time the speculators are seizing on the turmoil in the Middle East and North Africa to use that as an excuse to drive this price of oil sky high. Yet recent upheavals abroad have had little, if any, effect on the actual supply of oil.

Again, coming back to the economic theories of supply and demand, Libya, for example, controls only 2 percent of the world's oil supply. Well, there is a key piece of evidence that points the finger at these ''condo flippers'' in the commodities market. Data from the Commodity Futures Trading Commission, the CFTC, reveals that since January, when the protests began in Egypt, speculators have increased their betting on future oil price increases by more than 38 percent.

Meanwhile, legitimate hedgers for oil futures contracts, legitimate hedgers such as airlines and shipping companies and oil companies have actually reduced their holdings in oil futures contracts.

All you need to do to see what is happening is as represented on this chart. You see closely how the rise of oil prices, the red line, tracks the increases in speculative activity, the white line. A long position in a futures contract means you are betting that the price of oil will go up and, therefore, you buy a contract to buy oil at a determined amount in the future. That is what this chart is about.

As you go over here, on January 25 of this year, the day the protests began in Egypt, the speculative money was on long held positions in just over 217,000 West Texas Intermediate crude oil futures contracts. West Texas Intermediate crude is the standard by which they judge. When the protests began in Egypt, they were down at 217,000 futures contracts. That is the equivalent of about 217 million barrels of oil. On March 8, the last day for which we have the data, these same speculators held the equivalent of more than 301 million barrels of crude, which was an increase of 38 percent, from 217,000 to 301 million.

Look how closely the price of oil tracks those swings. This is the speculative buying or betting in futures contracts, the white line. Look how closely the price of oil follows the red line.

During the same period, from January 25 to March 8, the price of oil climbed from $85 a barrel all the way up to $105 a barrel. That is an increase of nearly 24 percent. Guess who is the loser in this game of profit gouging. It is the American consumer. Our gasoline prices mean less money for anything the American consumer has to buy. And, at the end of the day, guess who else is the big loser. It is the American economy.

These speculative bubbles in oil prices are becoming more and more common. We saw it in the summer of 2008 when oil spiked up to an unbelievable $147 per barrel, only to plummet almost 80 percent a few months later. You cannot say that going from $147 a barrel all of a sudden down to $30 a barrel back in 2008 had anything to do with supply and demand. There had to be another influencing factor.

Because of this, last year when we passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, Congress empowered the CFTC to rein in excessive speculation to keep the commodities markets from flying off the rails. Just look. It is in the last 2 months. Yet, the Commission, the CFTC, has yet to finalize new rules to govern the speculative position limits.

Meantime, what happens is speculators continue to buy $100 worth of oil futures with $6 down, 6 percent down to buy oil contracts for futures. I believe the law we passed last year has given the CFTC an extremely effective tool at its disposal that it could use to discourage excessive energy speculation and bring down gas prices our American consumers are now finding hurting their pocketbooks so much. That authority is the authority to impose higher margin requirements on oil futures contracts. So instead of $6, they could require that there be more than 6 percent they would have to pay down on buying a futures oil contract.

In the current system some ordinary investors have to put down as much as 50 percent in order to buy things, while financial speculators have to post only 6 percent to buy a futures contract in oil. That does not seem to me to be fair and is leading to this kind of system which is now causing pain at the pump.

These kinds of margin requirements are not set by Federal regulators but, rather, by the exchanges themselves. For the same reason we do not let pharmaceutical companies approve of their own drugs, we should not let futures exchanges self-regulate by setting their own margin requirements. Fortunately, in a section of the Dodd-Frank bill, section 736, Congress removed the broad statutory restriction that prohibited the CFTC from setting those margin requirements. That section authorizes the CFTC to call for higher margin requirements in order to protect the financial integrity so this kind of event does not happen.

I am calling on the CFTC now to exercise the authority the Congress, signed into law by the President, gave them last July. I am asking them to get going.

There is a letter that has been circulated here among the Senators encouraging the CFTC to use the Commission's power to increase margin requirements on these oil speculators. I want to urge my colleagues who are listening to join in this letter as it is circulated among your offices. Under the Dodd-Frank Act, these new margin requirements would take effect as soon as July. But the CFTC must begin the rulemaking process now, because if we do not, and get into the summer driving season, you know what is going to happen here. This is March. It is going to keep going up and up.

I want to be clear, that where those who have a legitimate reason, such as airlines, shipping companies, oil companies, to buy future contracts, that margin level would not apply. It will only apply to the speculators. Imposing a higher margin level on speculators is consistent with existing exchange practices. For example, the New York Mercantile Exchange, the major trading platform on oil futures, imposes different margin rates on speculators as compared to bona fide hedgers. Anybody who has been at the gas pump recently knows this is a real issue, and they are asking us to do something about it.

Then we hear in return it is supply and demand. I am trying to prick that balloon, bust that bubble. Congress and the administration need to be out front doing everything we can to ensure that the price of oil reflects the real supply and demand, not the irrational speculative fervor. With the right policies, we can discourage the damage excessive speculation is doing.

I ask two things of my colleagues. I ask that they all take a look at the letter being circulated to Commissioner Gensler, Chairman of the CFTC. Don't fall for the notion that more drilling is going to put an end to the spiral. I am all for drilling in all those acres out there that are already leased. I am all for it, if it is done safely. But guess what we are hearing. We are starting to hear: Drill, baby, drill.

Facts are stubborn. Even if there was expanded drilling in the United States, it is not going to affect the price of gas in the short term or even over the next half a dozen years. That is largely because the United States holds 2 to 3 percent of the world's supply, which is not enough to affect prices globally. Further, the oil and gas companies have 30 million acres that are leased but not drilled offshore and another 30 million acres onshore and they are not even drilling yet. Simply put, attempts to link the recent increases in the price of oil to the need for increased drilling are off the mark. Frankly, we haven't changed the way we do business with oil companies. Unfortunately, it has been a little less than 1 year since the Deepwater Horizon oil rig exploded. We know what damage that did to the fisheries, the tourism, the economy of the entire gulf region. A lot of oil is still there. American citizens continue to fight to get their lost claims paid. We are not going to know for years to come what the long-term impacts will be, but certainly the economic damage is rising and rising.

Even worse, if another spill happened today, the responsible party would still have only a liability cap of $75 million. We have to address that.

In the meantime, we have to confront high gas prices. We need a multi-pronged approach that includes getting the CFTC to do its job.

CLUSTER MUNITIONS CIVILIAN PROTECTION ACT

Mr. LEAHY. Mr. President, on March 10, my friend from California, Senator FEINSTEIN, and I introduced S. 558, the Cluster Munitions Civilian Protection Act of 2011. It is identical to the bill she and I introduced last year and similar to those in prior years.

Cluster munitions, like any weapon, have some military utility. But anyone who has seen the indiscriminate devastation cluster munitions cause over a wide area understands the unacceptable threat they pose to civilians. These are not the laser-guided weapons the Pentagon showed destroying their targets during the invasion of Baghdad.

There is the horrific problem of cluster munitions that fail to explode as